

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: UTU 80566	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME: FED	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME: FED	
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION				9. WELL NAME and NUMBER: J & J FEDERAL 2-29	
3. ADDRESS OF OPERATOR: 465 South 200 West Bountiful UT 84010				10. FIELD AND POOL, OR WILDCAT: Undesignated	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2209' FNL, 1038 FEL, 583141 X 442835 Y 40.003172 AT PROPOSED PRODUCING ZONE: SAME AS ABOVE -110.025987				11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 29 9S 17E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 16 Miles south of Myton, Utah				12. COUNTY: DUCHESNE	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,958' FEL		16. NUMBER OF ACRES IN LEASE: 1800		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1 MILE		19. PROPOSED DEPTH: 13,000		20. BOND DESCRIPTION: Wells Fargo Irrevocable \$10,000	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): GR -5,482'		22. APPROXIMATE DATE WORK WILL START: 4/15/2007		23. ESTIMATED DURATION: 45 days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
17 3/4"	13 3/8"		48#	200	Class G Premium	225sks	1.15 15.8#
8 3/4"	7 5/8"	J 55	24.4#	3,250	Hi-Lift	560sks	3.91 11#/gal
					Premium	200 sks	1.15 15.8#/gal
6 1/4"	4 1/2"	P110	13.5#	13,000	Hi-Lift	400 sks	1.28 11 #/gal
					50-50 POZ	1800sks	1.28 14.2# gal

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>DeForrest Smouse PhD</u>	TITLE <u>President</u>
SIGNATURE <u><i>DeForrest Smouse</i></u>	DATE <u>1/17/2007</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-013-33527

**Approved by the
Utah Division of
Oil, Gas and Mining**
APPROVAL:

**RECEIVED
JAN 26 2007**

DIV. OF OIL, GAS & MINING

(11/2001)

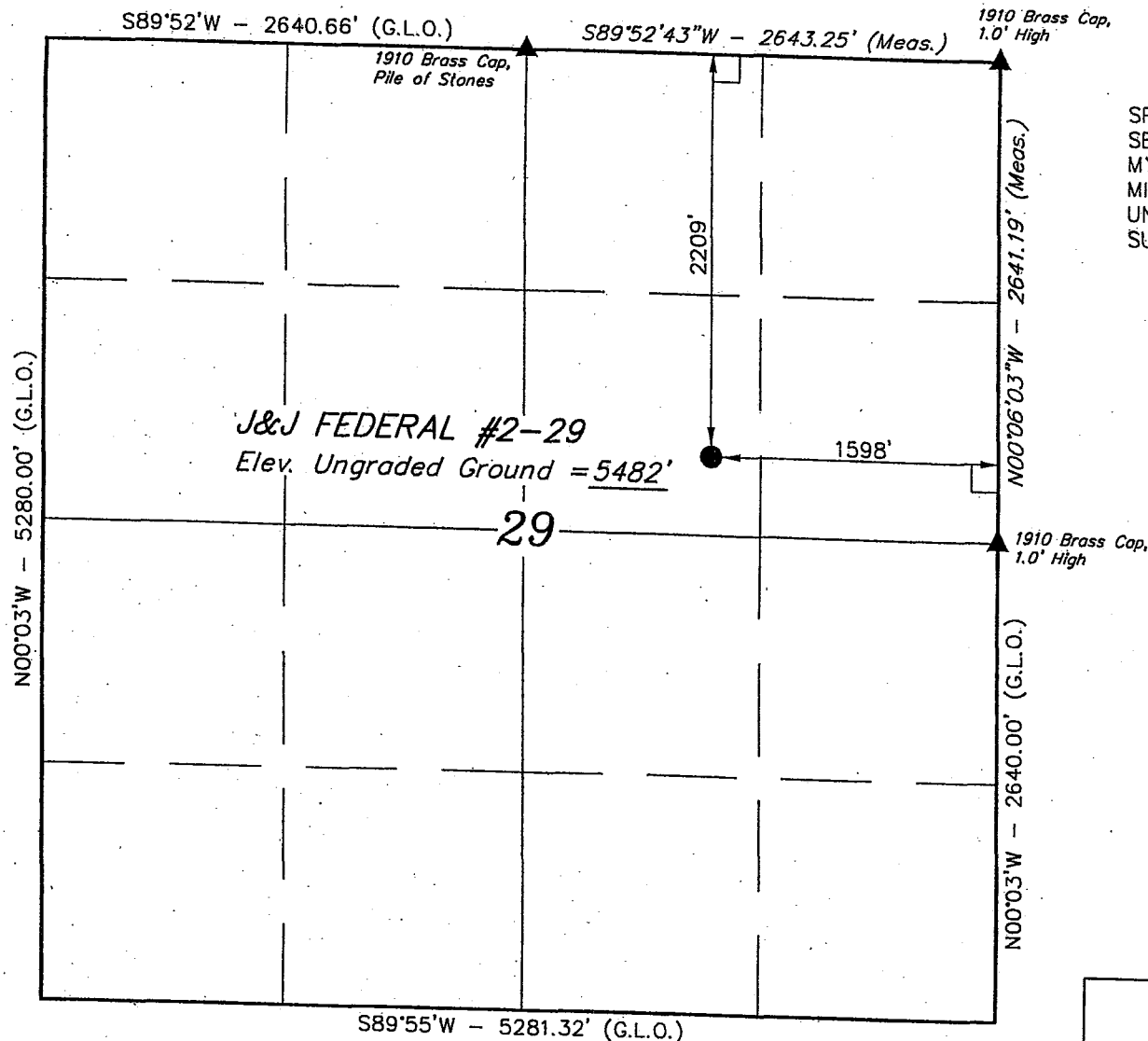
**Federal Approval of this
Action is Necessary**

Date: 01-31-07
By: *[Signature]*

T9S, R17E, S.L.B.&M.

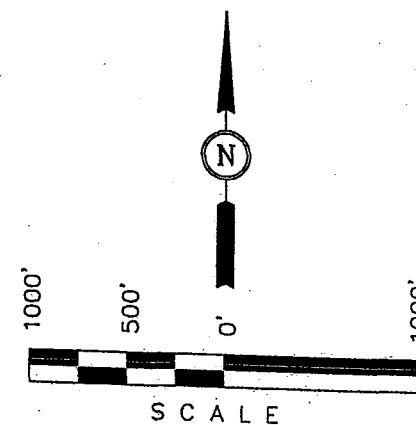
QUINEX ENERGY CORP.

Well location, J&J FEDERAL #2-29, located as shown in the SW 1/4 NE 1/4 of Section 29, T9S, R17E, S.L.B.&M. Duchesne County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 29, T9S, R17E, S.L.B.&M. TAKEN FROM THE MYTON SE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5414 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Ray
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
 (AUTONOMOUS NAD 83)
 LATITUDE = 40°00'11.31" (40.003142)
 LONGITUDE = 110°01'35.95" (110.026653)

UTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078. (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-19-03	DATE DRAWN: 12-24-03
PARTY J.F. A.F. C.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE QUINEX ENERGY CORP.	

QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

January 12, 2004

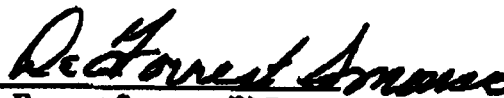
Division of Oil Gas & Mining
1594W. North Temple St. 1210
Salt Lake City, Utah 84114-5801
Attn. Diana Whitney

To Whom it May Concern:

In reference to the State Oil and Gas Conservation rule R649-'3-3' the location of the J. & J. Federal 2-29 well is an exception to this rule due to the use of an old prepared drilling pad.

There are no additional lease owners within 460' of the prepared & proposed location. If you have any questions please contact DeForrest Smouse, Quinex Energy Corp. 801 292-3800.

Sincerely,



DeForrest Smouse, PhD
President

EIGHT POINT PLAN

QUINEX ENERGY CORPORATION
J & J FEDERAL 2-29
SE,SW,NE, SECTION 29 T 9 S, R 17 E
DUCHESNE COUNTY, UTAH

1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

<u>FORMATION</u>	<u>DEPTH</u>	<u>ZONE TYPE</u>	<u>MAX. PRESSURE</u>
Uinta Formation	Surface	Fresh Water	
Green River Formation	1,160'	Oil & Gas	1500 psi
Wasatch Formation	5,812'	Oil & Gas	2500 psi
Mesa Verde Formation	9,070'	Gas	3500 psi
Castle gate Sand mbr.	12,050'	Gas	6500 psi
Black Hawk mbr.	12,550'	Gas	6500 psi
Estimated Total Depth -	13,000'		

3. PRESSURER CONTROL EQUIPMENT BOP Schematic Diagram attached

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
17 3/4"	0-200'	200'	13 3/8"	48#		8 ROUND			Class .G
									1.15 yield to surface
8 3/4"	0 - 3,500'	3,500'	7 5/8"	24.4 #	J 55	8 ROUND	2,390#	4180#	560 sks
					Hi-Lift 11#/gal., 3.91 yield				& 200 sks class G 1.15 yield.
6 1/4"	3,500-13,000'	13,000'	4 1/2"	13.5#	P 110	8 ROUND	6280#	7740#	400 sks
					Hi-Lift , 11.5 # per gal, 3.05 yield & 1800 sks 50-50 POZ, 14.2# per gallon. 1.28 yield				

5 MUD PROGRAM:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>WEIGHT</u>
0-8,000'	Watergel	8.5#
8,000-13,000'	Low Solids	9.5#

Lost circulation zones are not anticipated.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

The J & J Federal 2-29 well is designated as a Mesa Verde Group test.

7. **EVALUATION PROGRAM**

LOGS: SCHLUMBERGER WIRELINE

DIL-SFL 2500' - 13000'

CNL-FDC 4800' - 13000'

FW SONIC 4800' - 13000'

MUDLOG 4800' - 13000'

Additional logs as needed to evaluate formation from 4800 - TD

Cores None

DST's None

8. **ABNORMAL CONDITIONS**

None anticipated

9. **SRANDARD REQUIRED EQUIPMENT**

- A. Choke Manifold
- B. Gas Buster
- C. Visual Mud Monitoring

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

(Attachment: BOP Diagram)



DeForrest Smouse PhD
President - Quinex Energy

EIGHT POINT PLAN

QUINEX ENERGY CORPORATION
J & J FEDERAL 2-29
SE,SW,NE, SECTION 29 T 9 S, R 17 E
DUCHESNE COUNTY, UTAH

1 & 2 ESTIMATED TOPS ANTICIPATED OIL, GAS AND WATER ZONES

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Black Hawk mbr.	12,550'	Gas	6500 psi
Estimated Total Depth -	13,000'		

3. PRESSURER CONTROL EQUIPMENT **BOP Schematic Diagram attached**

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>COLLAPSE</u>	<u>BURST</u>	<u>CEMENT</u>
17 3/4"	0-200'	200'	13 3/8"	48#		8 ROUND		225 G to Class.G	
12 3/4"	0 - 3,500'	3,500'	8 5/8"	32#	J 55	8 ROUND	1,850#	3,130#	560 sacks
					Hi-Lift 11#/gal, 3.91 yield & 200 sks class G				1.15 yield
7 7/8"	3,500-13,000'	13,000'	4 1/2"	13.5#	P 110	8 ROUND	6280#	7740#	400 sks
					Hi-Lift, 11.5 # per gal, 3.05 yield & 1800 sks 50-50 POZ, 14.2# per gallon. 1.28 yield				

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Lost circulation zones are not anticipated.

Sufficient mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

The J & J Federal 2-29 well is designated as a Mesa Verde Group test.

7. EVALUATION PROGRAM

LOGS: SCHLUMBERGER WIRELINE

DIL-SFL 2500' - 13000'

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FW SONIC 4800' - 13000'

MUDLOG 4800' - 13000'

Additional logs as needed to evaluate formation from 4800 - TD

Cores None

DST's None

8. ABNORMAL CONDITIONS

None anticipated

9. SRANDARD REQUIRED EQUIPMENT

A. Choke Manifold

B. Gas Buster

C. Visual Mud Monitoring

No chemicals subject to reporting under SARA III in an amount to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold quantities, will be used, produced, stored, transported or disposed of in association with the drilling of this well.

(Attachment: BOP Diagram)



**DeForrest Smouse PhD
President - Quinex Energy**

THIRTEEN POINT PLAN
J&J FEDERAL 2-29

GENERAL Requirements for working on BLM lands.

1. Cultural resources are not expected to be disrupted, as the location is on the same well site used to drill the Conoco Kralovic #1 well that was drilled in 1952. No additional land will be excavated on either the drill site or road to location.
2. The area is grassland with minor sagebrush and other desert vegetations.

1. **EXISTING ROADS** - See Location Map.

- A. Wellsite 2209' FNL, 1598' FEL, (SE SW NE) Section 29, T9S, R17E.
- B. Travel 1 ½ mile east of Myton, Utah and turn south (left) on paved road Then 13 miles on Pariette road to the old Castle Peak mine-site then left on graded road. At 1.4 miles the road turns south for 4 miles passing the Deserted Snyder Spring Ranch. The road to the wellsite is located ¾ mile Past the ranch on maintained road then west on old wellsite track to the wellsite.
- C. Roads: The route is over paved US 40 to turnout about 1.5 miles west of Myton. Travel over paved roads to the Castle Mine site. All roads are graded, many with fair gravel topping. All additional roads are graded, most with gravel topping.
- D, Other existing roads as marked on Topo Map.
- D. Existing roads will be maintained by the county. The old access road to
- E. The J & J Fed 2-29 wellsite will be re-built to meet BLM specifications, and be maintained as required, for all weather use, by the operator. See Engineer Survey Plat).

2. **GENERAL:**

- (1) The Vernal BLM District will be notified 48 hours prior to commencing work on BLM lands.
- (2) The dirt contractor will be furnished a copy of this Surface Use Plan, along with any additional BLM stipulations, prior to the work.

(3) The topsoil removed for reserve pits will be stockpiled on NW corner of the location.

(4) The reserve pit will be lined with native clay and water-proofed.

B. Planned Access Roads:

The rebuilt access road will follow the road to the Kralovic #1 wellsite. The Subject road will be improved to BLM specifications (from 6, p.26, "Surface Operating Standards for Oil and Gas". Development" as follows:

(1) Width: 16' at crown;
Total width 30'.

(2) Maximum grades: 3% maximum.

(3) Turnouts: None Required

(4) Drainage: Borrow Pit on south side.

(5) Culverts: None Needed.

(6) Surface Material: The roads will be covered with 6 inches of Road base and 2 inches of 1 ½ gravel topping as required for Traction and erosion control.

(7) Gates/ Cattle Guards: The location is on unfenced land with minor sagebrush & native grasses. There are no gates or cattle-guards needed.

3. LOCATION OF EXISTING WELLS: See Topographic Map.

Wells within one mile radius:

(1) Water wells: None

(2) Abandoned Oil Wells: None

(3) Temporarily Abandoned wells: None

(4) Disposal Wells: None

(5) Drilling Wells: None.

(6) Producing Wells:

Newfield Exploration Co. Fed. 41-30 – NE,NE, Section 30, T 9
S, R 17 E Green River Production

(7) Shut in wells: None

(8) Injection Wells: None

(9) Monitoring Wells: None

4. **LOCATION OF EXISTING and/or PROPOSED FACILITIES:** - See wellsite plat

A. Within a 1 mile radius location, existing facilities owned or operated by Quinex Energy Corporation.

1. Tank Batteries: None.
2. Production Facilities: None.
3. Oil Gathering Lines - None
4. Gas Gathering Lines - None
5. Injection Lines - None
6. Disposal Lines - None

B. New Facilities Contemplated:

- (1) Off well Pad: A gas line tie-in to the WEXPRO gas line. Eventual tie in to Moon Lake Electric power grid is expected prior to completion of the well.
- (2) Well Pad Dimensions. A Rig Layout Plat will be provided when the drilling contract is signed.
- (3) Construction methods: Tanks are to be welded. The battery grade will be less than 3 feet above pad grade. All equipment will be painted with BLM approved shades.
- (4) Protective Measures: There will be no open vessels or permanent storage of fluids in open pits. The Storage Tanks will be diked to provide emergency containment of a potential tank failure.

C. **Location and type of water supply:**

A. Water source:

Approximately 15 acre feet of water will be required to drill and complete the well. Water is to be hauled from the Parriette Wet Lands or the Green River by Tu and Frum Trucking, Dave Murray. A proper water right will be obtained from a State Engineer prior to spudding.

B. Transportation: Water will be hauled.

C. Water Well: None Proposed.

6. **Source of Construction Material:**

- A. **Source:** Material will be from well site. No additional requirements are anticipated.
- B. **Ownership:** Access road & location are on BLM lands.
- C. **Outside Materials:** Road base will be from commercial gravel pits in the Roosevelt Area.
- D. **Access:** Only the road to the location from the county road will require any construction material.

7. **Methods of Handling Waste Disposal**

Disposal will be handled as follows:

- 1. **Cuttings** will be buried in the reserve pit.
- 2. **Drilling Fluids** are to be removed to a commercial disposal site within 90 days of completion.
- 3. **Produced fluids:** Oil will be sold to an authorized oil buyer. Produced water will be hauled to an authorized disposal site.
- 4. **Sewage:** Chemical toilets will be provided for the drilling crew.
- 5. **Trash & Garbage:** Trash will be accumulated in a wire mesh receptacle and hauled to a sanitary road fill.
- 6. **Post Drilling Cleanup:** After drilling operations cease, the access road and location will be cleaned up and graded. The reserve pit will be covered and reseeded to BLM specifications within 90 days.

8. **Ancillary Facilities**

No camp facilities are planned or required. Plat of site will be provided when drilling contract is signed.

9. **Wellsite Layout:** see attached Well Site Plat.

- 1. **Cross Sections:** The old Kralovic #1 will be used. It will be Provided with Plat.
- 2. **Equipment Layout:** Provided with plat.
- 3. **Rig Orientation:** Provided with plat.

4. All pits are to be sealed. The location will be fenced on four sides – see survey plat

10. Plans for Restoration of Surface:

- (1) Initial Cleanup: Location and surrounding area will be cleaned of all debris resulting from the drilling operations. All trash will be hauled to a sanitary landfill.
- (2) Vernal BLM will be notified at least 48 hours before surface restoration requiring earth moving equipment, upon completion of operations.
- (3) Topography: Within 90 days of completion of the well, weather permitting the reserve pit is to be dried, filled and re-contoured.
- (4) Stockpiled topsoil will be evenly distributed over reclaimed areas.
- (5) Re-vegetation: Reclaimed areas will be scarified and seeded by broadcasting or drilling.
- (6) Unused areas will be blocked from vehicular access.
- (7) Pits: Pits will be fenced until cleanup, using wire mesh fence with 2 strands of barbed wire on top.
- (8) Oil on Pits: Any oil on pits will be removed to a commercial disposal site when rig is released.
- (9) Timetable: Reserve Pit is to be reclaimed within 90 days of completion date. Other areas will be reclaimed within six months of discontinued use.

11. Other Information

A. Ownership and Right-of-Ways:

Both location and right-of ways are owned by the Federal Government. The right of way for gas transportation will be requested from the BLM. The gas line has been surveyed and archeology along proposed line has already been done.

B. General Description of Area

- (1) Topography: Low angle slopes, semi-arid and desert vegetation. No irrigation.

- (2) Surface use category- the area is used for cattle grazing during winter months.
- (3) Water, Dwellings, Archeology. Water will be trucked to location on existing roads. There are no dwellings within ½ mile of location. An archeology is completed and will be submitted with APD.

12. Production Operations

- A. Notification: A first production report will be sent to the BLM within 5 days from first production to establish site security and APD compliance.
- B. Site Security: Site security plan will be submitted within 30 days after completion.
- C. Water Production: NTL-2B will be submitted within 60 days of completion. It is anticipated that any water produced will be hauled to the pit located at La Point, Utah.
- D. Weed Control: The road and location will be professionally sprayed, using EPA approved chemicals to control weeds.
- E. The tank battery is to be built on the north side of the location. All permanent structures will be painted with a BLM approved color. OSHA required markings are expected.


13. Lessee's or Operator Representative:

Quinex Energy Corporation
DeForrest Smouse
465 South 200 West
Bountiful, Utah 84010
Phone (801) 292-3800 or (801) 292-2554

Certification

I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route: that I am familiar with the conditions which presently exist: that the statements made in this plan are, to the best of my knowledge, true and correct: and the work associated will be performed by Quinex Energy Corporation and its contractors in conformity with this plan and terms and conditions under which it is approved.

Date: 1/17/2007


DeForrest Smouse, PhD

President, Quinex Energy Corporation

SAGEBRUSH CONSULTANTS, L.L.C.

Cultural Resources • Environmental Studies • Historic Preservation



July 15, 2005

JUL 18 2005

Dr. DeForest Smouse, President
Quinex Energy Corporation
465 South 200 West
Bountiful, Utah 84010

RE: *A Cultural Resource Inventory of a Pipeline for Quinex Well J & J Federal # 2-29.*
Sagebrush Report No. 1429. Utah State Antiquities Permit No. U-05-SJ-0637b.

Dear Dr. Smouse;

We have completed inventory of the proposed pipeline for the J & J Federal # 2-29 well. No sites were found during the process.

Enclosed please find a copy of the above cited report. Two copies of the report have also been sent to Blaine Phillips, Archaeologist with the Bureau of Land Management, Vernal Field Office. Another copy was sent to Paul Wells in your Roosevelt Office.

Please let me know if you have questions or need further information. It has been a pleasure doing work with you and I look forward to continuing work in the future.

Please feel free to call us if you have any questions or need additional information.

Sincerely,



Michael R. Polk

Principal Archaeologist/Owner

enclosure

cc Paul Wells

**A CULTURAL RESOURCE INVENTORY OF A PIPELINE FOR
QUINEX WELL J&J FEDERAL #2-29,
DUCHESNE COUNTY, UTAH**

by

**Michael R. Polk
Principal Archaeologist**

and

**Angela L. Garrison
Assistant Archaeologist**

Prepared for:

**Quinex Energy Corporation
465 South 200 West
Bountiful, Utah 84010**

Prepared by:

**Sagebrush Consultants, L.L.C.
3670 Quincy Avenue, Suite 203
Ogden, Utah 84403**

**Under the Authority of Cultural Resource Use Permit No. 04UT54630
and
Under the Authority of Utah State Antiquities Permit No. U-05-SJ-0637b**

Cultural Resource Report No. 1429

July 15, 2005

INTRODUCTION

In June 2005, Quinex Energy Corporation (Quinex) of Bountiful, Utah, requested that Sagebrush Consultants, L.L.C. (Sagebrush) conduct a cultural resource inventory of a pipeline for the J & J Federal Well #2-29 in Duchesne County, Utah. The purpose of this inventory is to identify cultural resource sites within the proposed project area.

The proposed pipeline is located in T. 9S., R. 17E., S. 29 and 30 on USGS 7.5' Quadrangle Myton SE, Utah (1964) (Figure 1). The pipeline lies on land administered by the Bureau of Land Management (BLM), Vernal Field Office. The cultural resource survey was carried out by Michael R. Polk and Angela L. Garrison on July 3, 2005. The inventory was conducted under the authority of Cultural Resource Use Permit No. 04UT54630 and Utah State Antiquities Permit No. U-05-SJ-0637b.

A GIS file search for previously recorded cultural resource sites and projects conducted near the current project was completed through Kristen Jensen, of the Antiquities Section, Division of State History, Utah Historic Preservation Office (SHPO), in Salt Lake City, on July 5, 2005. An agency file search was conducted at the BLM, Vernal Field Office, in Vernal by Michael R. Polk and Angela L. Garrison on June 30, 2005. A file search at the SHPO was conducted by Angela L. Garrison and Ann S. Polk, of Sagebrush, on July 5, 2005. Sagebrush personnel also reviewed General Land Office (GLO) plat maps located in the Public Room of the BLM Utah State Office, Salt Lake City. The National Register of Historic Places (NRHP) was consulted prior to the commencement of fieldwork for the current project. No NRHP sites were found to be in the vicinity of the current project area.

Multiple previous cultural resource projects have been conducted in the vicinity of the project area. The associated wellpad and access route in Section 29 were surveyed circa 1980 (Phillips, personal communication 2005). Due to the large number of additional projects conducted in this area, they will not be listed individually. However, there are two cultural resource sites which have been recorded within one mile of the current project area to be surveyed by Sagebrush. Following is a brief description of these sites:

Site 42DC246. This site is a possible hunting station in a small rock shelter that measures approximately 1.5 x 1 m. The shelter contains two collapsed rock walls. An unidentified projectile point was located in the wash north of the shelter. This site has not been evaluated for eligibility.

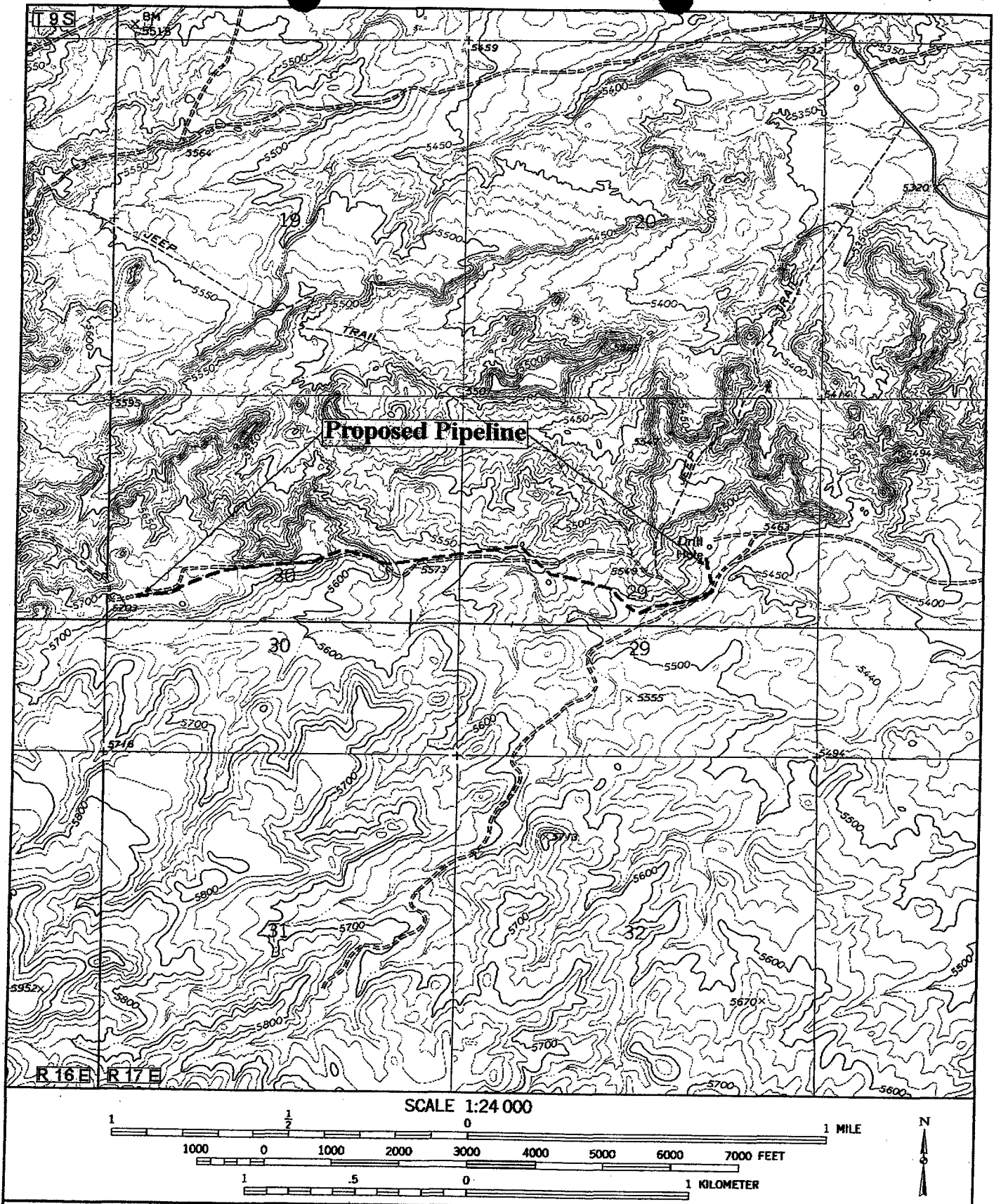


Figure 1. Location of a proposed pipeline for J&J Federal #2-29. Taken from USGS 7.5' Quadrangle Myton SE, Utah (1964) and Wilkin Ridge, Utah (1965).

Site 42DC391. This site, an open prehistoric camp, is located on a small ridge overlooking a wash to the south. Features identified include two circular, lined hearths and a possible oblong cist measuring 1 x 4 m. Two chert flakes were also identified. This site was recommended ELIGIBLE to the NRHP.

No additional cultural resource sites have been recorded in the vicinity of the current project area. The NRHP was consulted prior to the commencement of fieldwork for the present project. No NRHP sites were located in the vicinity of the current project area.

ENVIRONMENT

The pipeline surveyed for this project is located in the low rolling dissected tablelands west of the Green River, approximately 11 miles south of Myton, Utah. The elevation of the area surveyed ranges between 5550 and 5700 feet a.s.l. Soils in these areas are poorly developed and sandy in nature. Sediments consist of tan to light reddish brown sandy silt mixed with angular sandstone cobbles and pebbles. Vegetation in the area covers approximately 20-30 percent of the ground surface and consists of sagebrush community species including prickly pear cactus, sagebrush, shadscale, greasewood, squirreltail, rabbitbrush, bunchgrass, globemallow, and four-winged saltbush. Seasonally flowing drainages and washes are present in the vicinity of the current project area. The nearest permanent water sources are Snyder Spring located approximately 1.5 miles northeast of the survey area and White Mule Spring located approximately 4 miles to the south.

Natural disturbance in the area consists of sheetwash and aeolian erosion. Cultural disturbance include the construction of existing well pad locations, access roads and pipelines, and impacts from livestock grazing.

METHODOLOGY

An intensive cultural resource inventory was carried out for a proposed pipeline corridor for the Quinex well J & J Federal #2-29. The project area consists of 2.69 km (1.67 mi) of proposed pipeline corridor. The corridor was walked in parallel transects spaced no more than 15 m (50 ft) apart to cover a width of 30 m (100 ft). The area surveyed during this cultural resource inventory totaled 8.21 ha (20.30 ac), all on land administered by the BLM.

RESULTS

An intensive cultural resource inventory was carried out for a proposed access in T. 9S., R. 17E., S. 29 and 30 for the Quinex well J & J Federal #2-29. No cultural resources were located during this inventory.

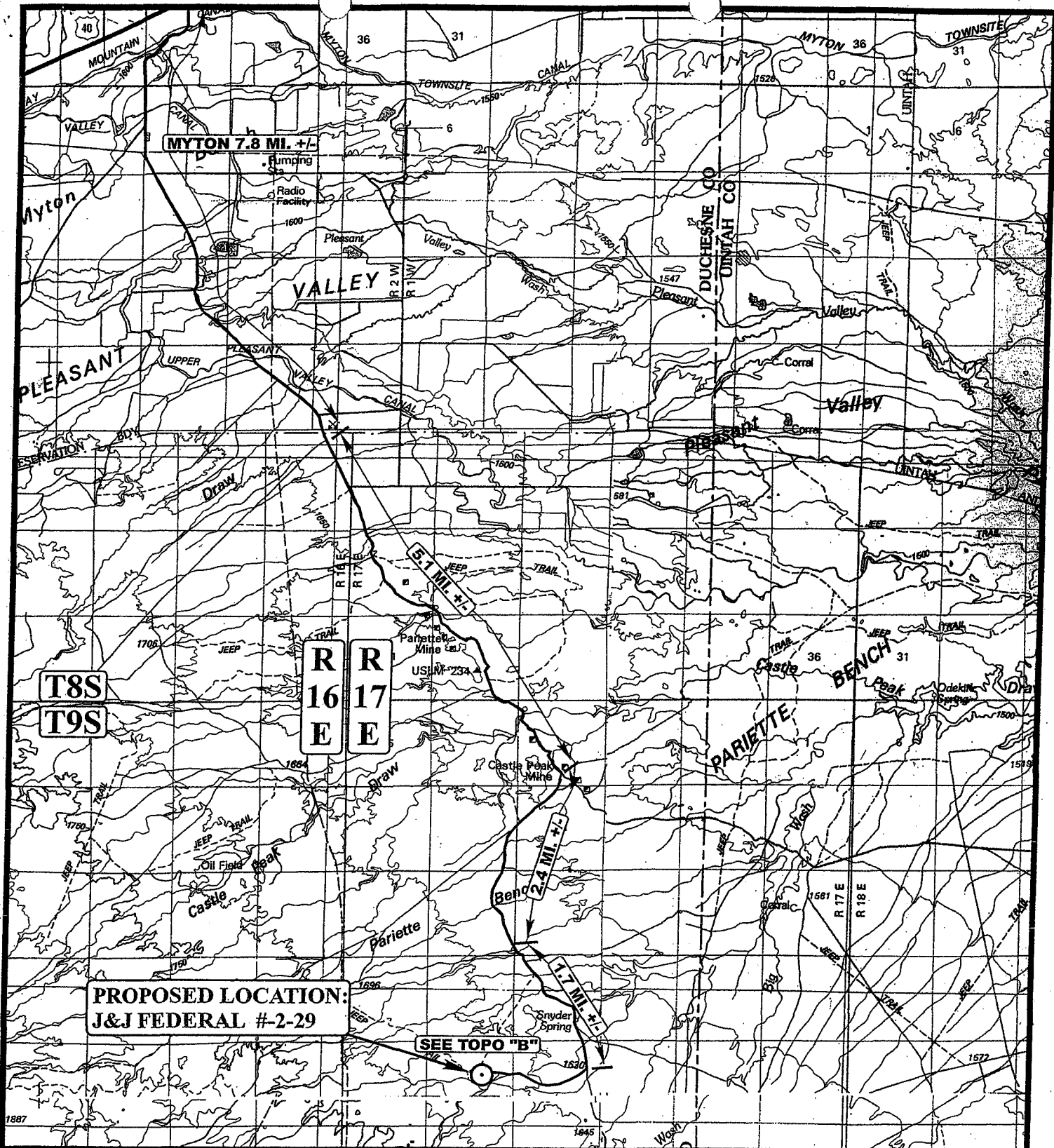
RECOMMENDATIONS

Cultural resource clearance is recommended for the surveyed portion of the project area, since no cultural resources were located during the inventory. This investigation was conducted with techniques which are considered to be adequate for evaluating cultural resources which could be adversely affected by the project. However, should cultural resources be discovered during construction, a report should be made immediately to the BLM Field Archaeologist at the BLM Field Office in Vernal, Utah.

REFERENCES CITED

Phillips, Blaine

2005 Personal Communication. [Telephone conversation on July 14, 2005 between Ann S. Polk of Sagebrush and the BLM Archaeologist, Vernal Field Office regarding a cultural resource inventory of a wellpad and its access route in T. 9S., R. 17E., Sec. 29.]. Notes on file at Sagebrush Consultants, L.L.C., Ogden, Utah.



LEGEND:

○ PROPOSED LOCATION

QUINEX ENERGY CORP.

J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL



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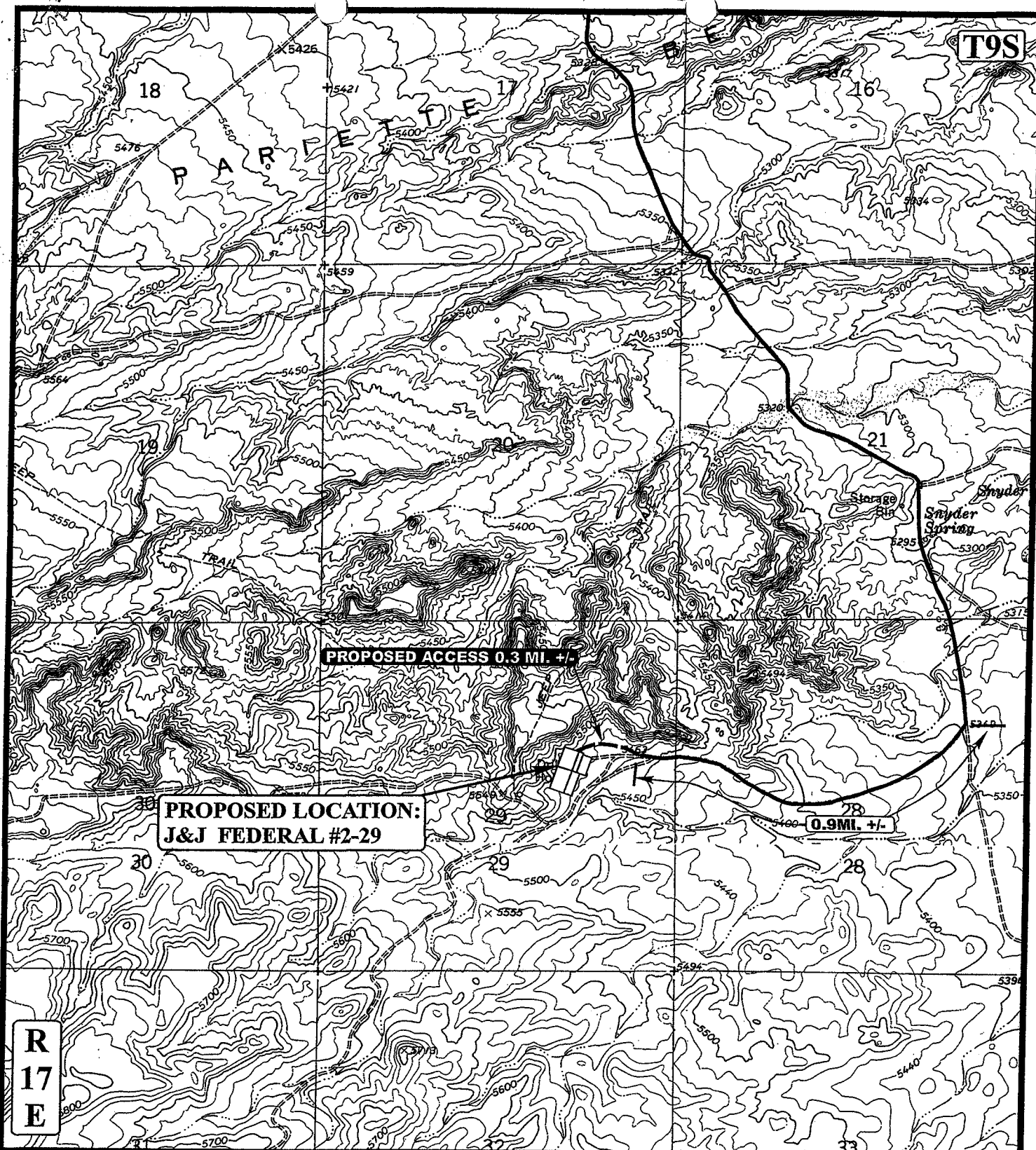


TOPOGRAPHIC
MAP

12 29 03
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: T.H. REVISED: 00-00-00





LEGEND:

— EXISTING ROAD
- - - PROPOSED ACCESS ROAD

QUINEX ENERGY CORP.

**J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL**



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TOPOGRAPHIC MAP
12 29 03
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00



QUINEX ENERGY CORPORATION

J & J Federal 29-2

ACCESS

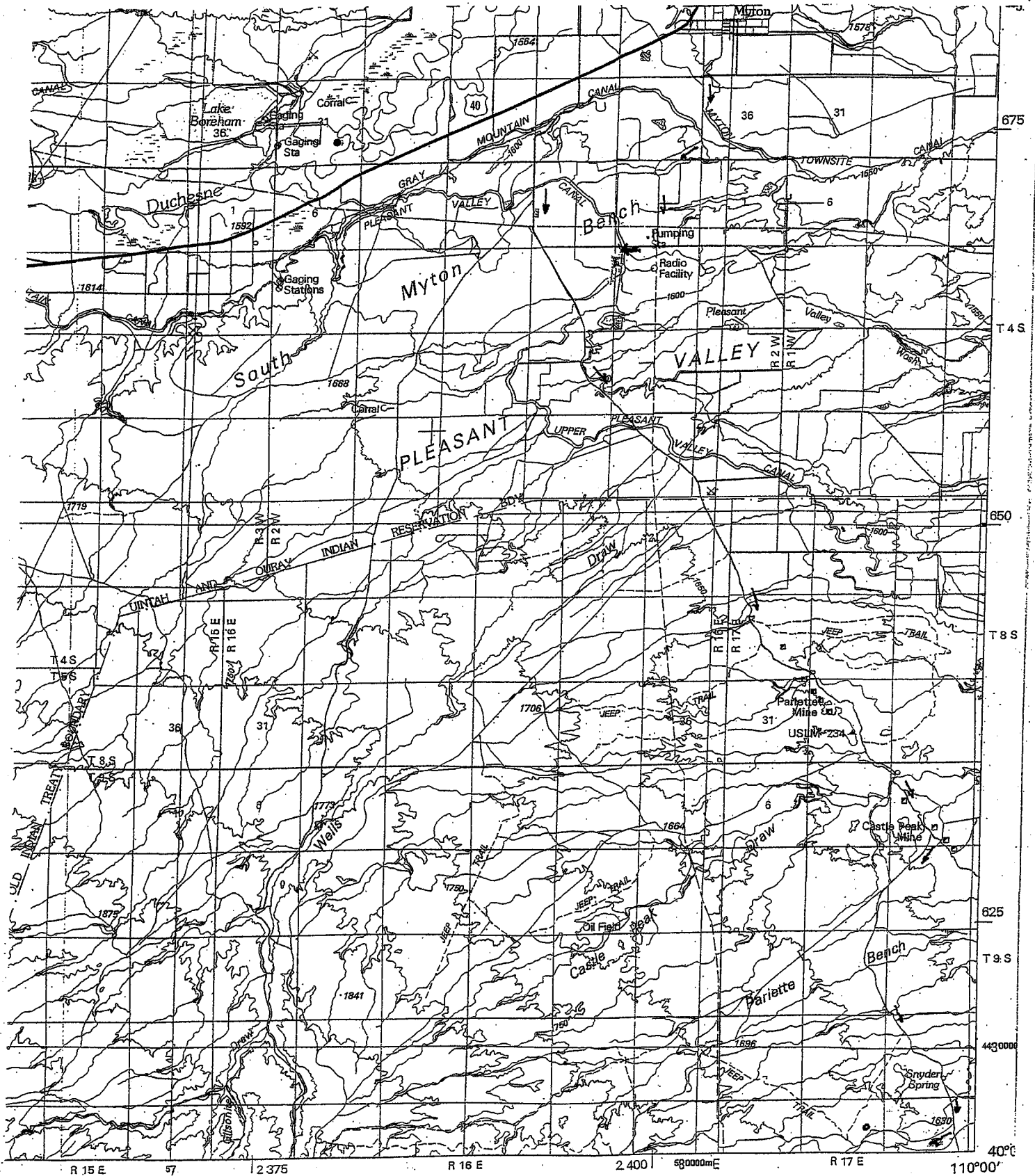
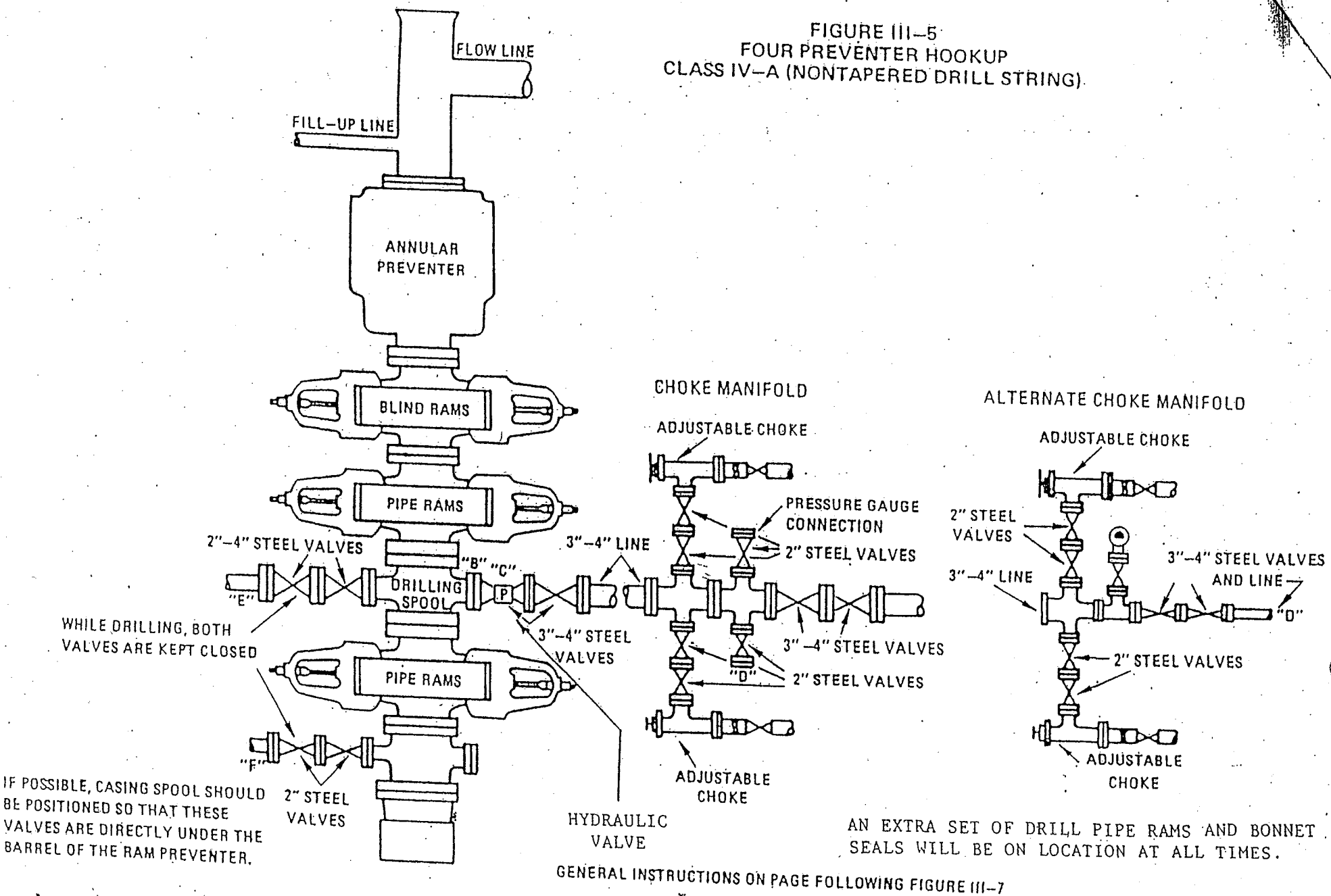


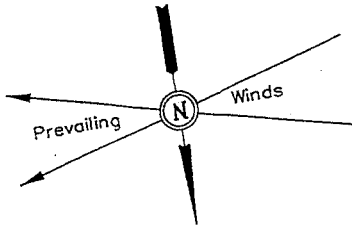
FIGURE III-5
FOUR PREVENTER HOOKUP
CLASS IV-A (NONTAPERED DRILL STRING)



QUINEX ENERGY CORP.

LOCATION LAYOUT FOR

J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL



SCALE: 1" = 60'
DATE: 12-29-03
Drawn By: C.G.

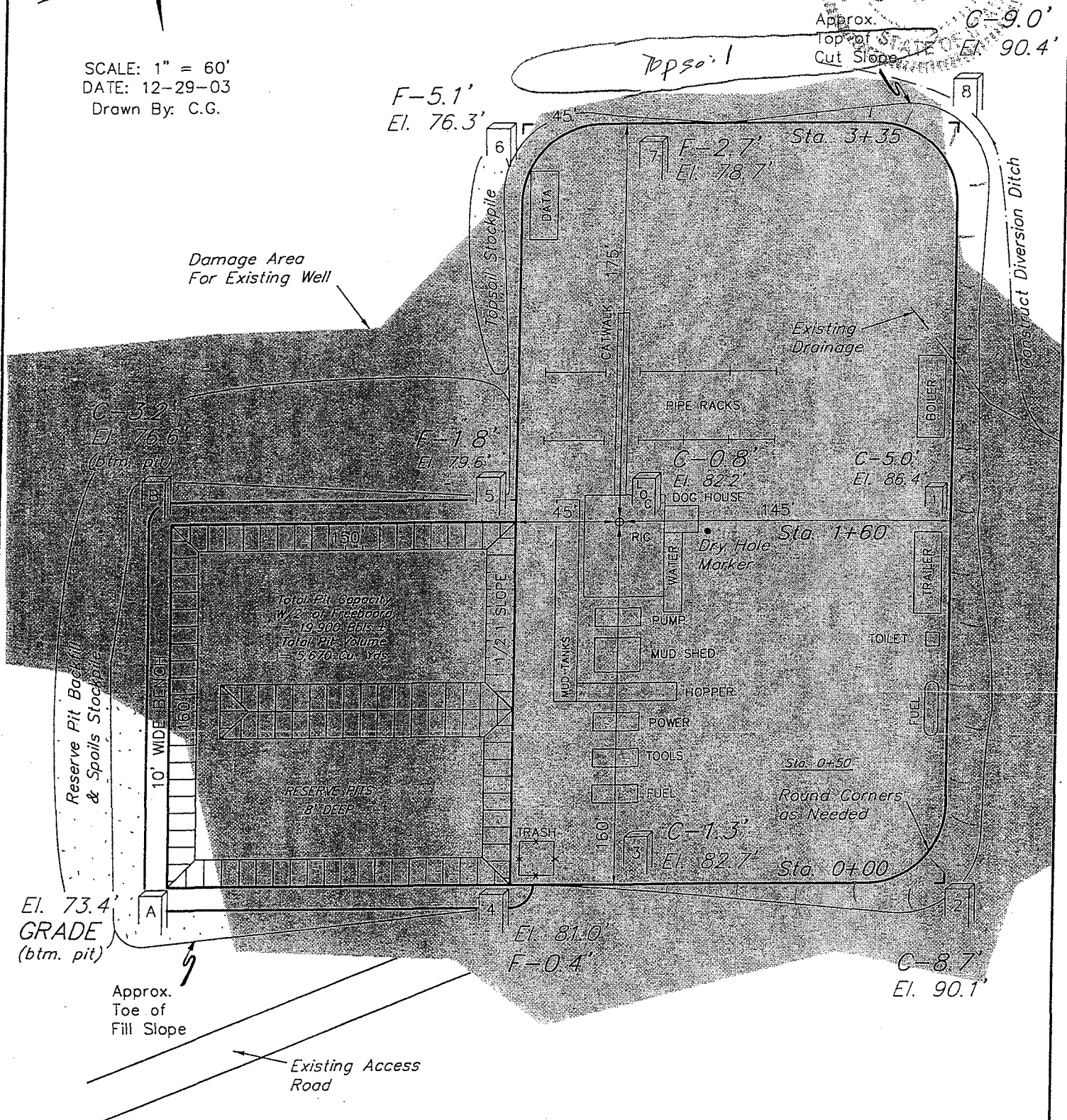
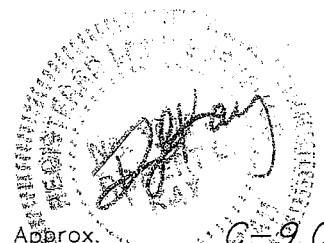


FIGURE #1

Elev. Ungraded Ground at Location Stake = 5482.2'
Elev. Graded Ground at Location Stake = 5481.4'

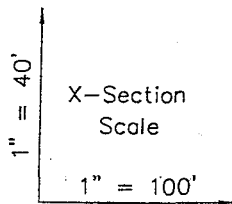
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QUINEX ENERGY CORP.

TYPICAL CROSS SECTIONS FOR

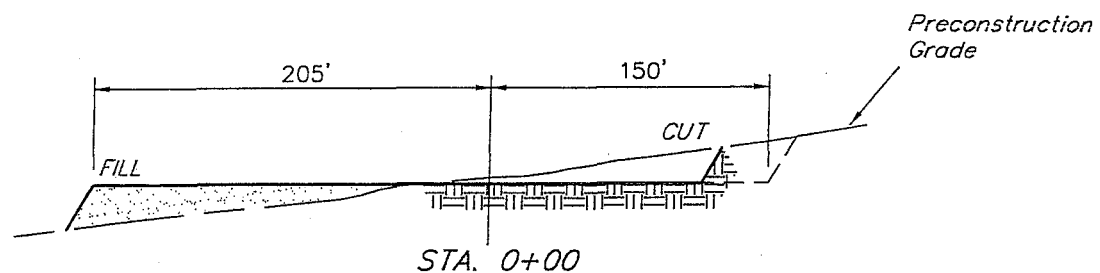
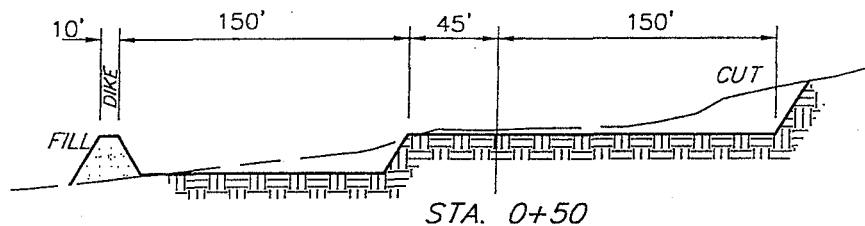
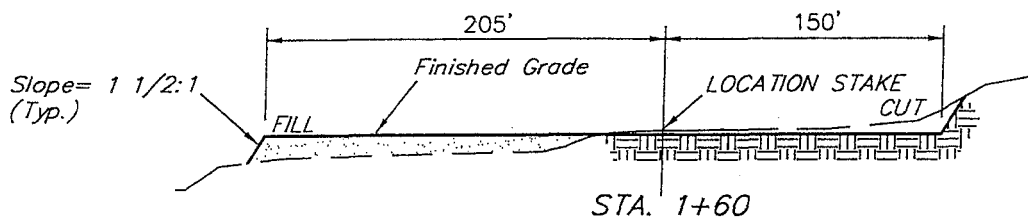
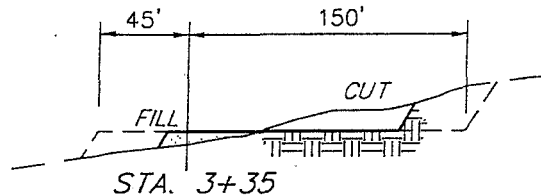
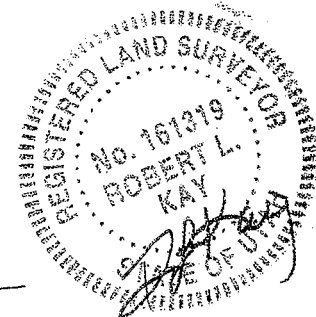
J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL

FIGURE #2



DATE: 12-29-03

Drawn By: C.G.



APPROXIMATE YARDAGES

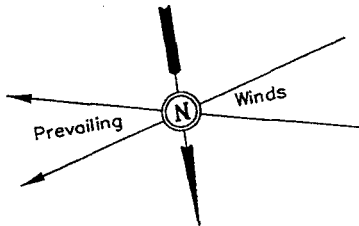
CUT	
(6") Topsoil Stripping	= 1,710 Cu. Yds.
Remaining Location	= 6,030 Cu. Yds.
TOTAL CUT	= 7,740 CU.YDS.
FILL	= 3,030 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 4,550 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 4,550 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

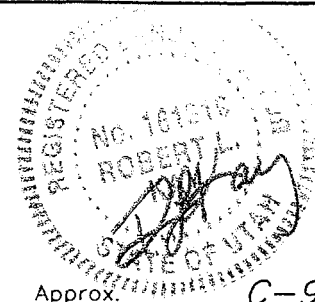
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QUINEX ENERGY CORP.

LOCATION LAYOUT FOR
J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL



SCALE: 1" = 60'
DATE: 12-29-03
Drawn By: C.G.



Approx. Top of Cut Slope C-9.0' El. 90.4'

F-5.1' El. 76.3'

Damage Area For Existing Well

C-3.2' El. 76.6' (btm. pit)

F-1.8' El. 79.6'

C-0.8' El. 82.2' DOG HOUSE

C-5.0' El. 86.4'

Sta. 1+60

Sta. 0+50

Round Corners as Needed

Sta. 0+00

El. 73.4' GRADE (btm. pit)

El. 81.0' F-0.4'

C-8.7' El. 90.1'

Approx. Toe of Fill Slope

Existing Access Road

Total Pit Capacity
W/2' of Freeboard
= 19,900 Bbls.
Total Pit Volume
= 5,670 Cu. Yds.

RESERVE PITS
8' DEEP

Reserve Pit Backfill & Spoils Stockpile

10' WIDE BENCH

Topsail Stockpile

Construct Diversion Ditch

CATWALK

PIPE RACKS

Existing Drainage

BOILER

RIG

Dry Hole Marker

PUMP

MUD SHED

HOPPER

POWER

TOOLS

FUEL

TRAILER

TOILET

FUEL

TRASH

C-8.7' El. 90.1'

FIGURE #1

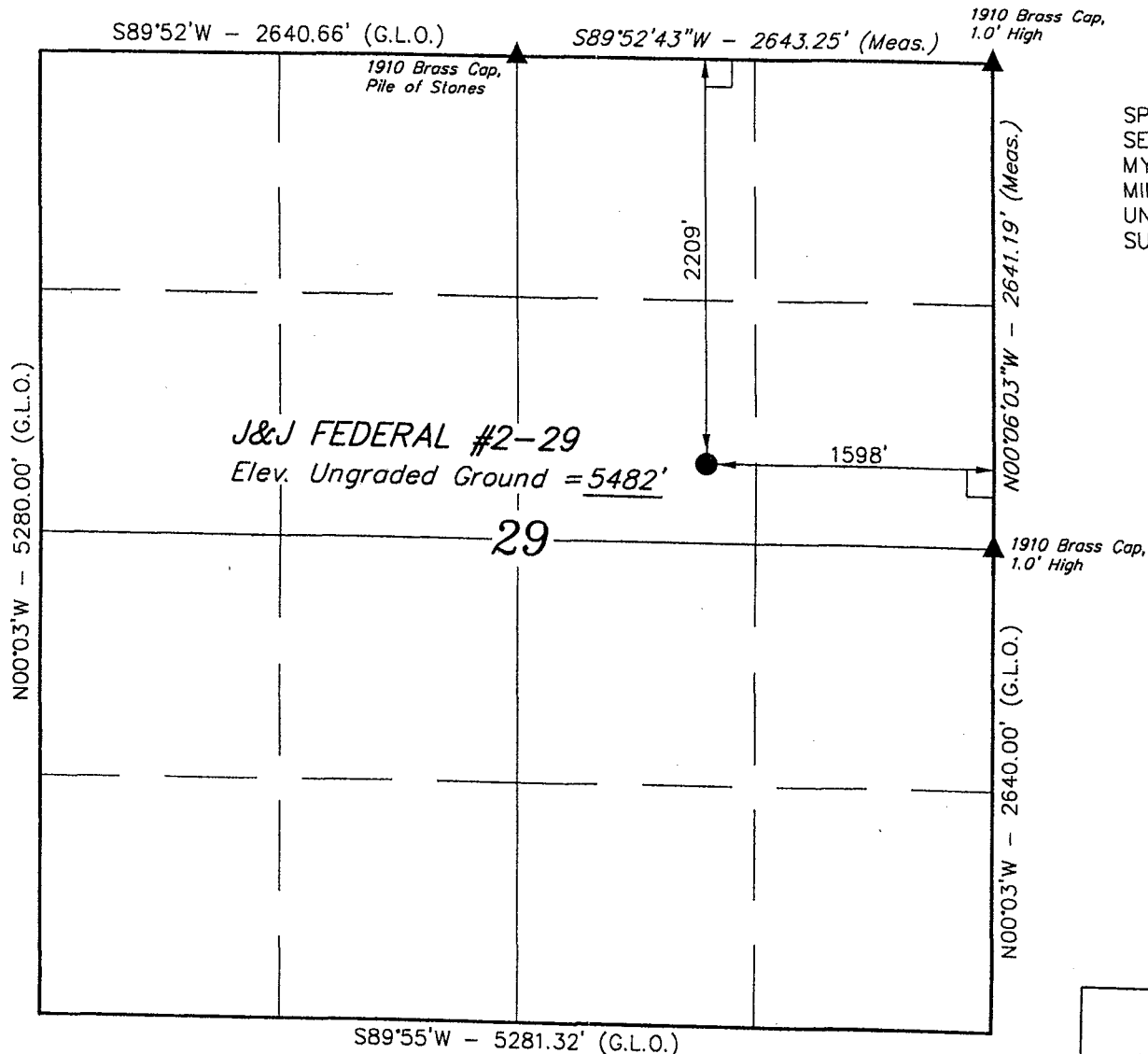
Elev. Ungraded Ground at Location Stake = 5482.2'
Elev. Graded Ground at Location Stake = 5481.4'

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T9S, R17E, S.L.B.&M.

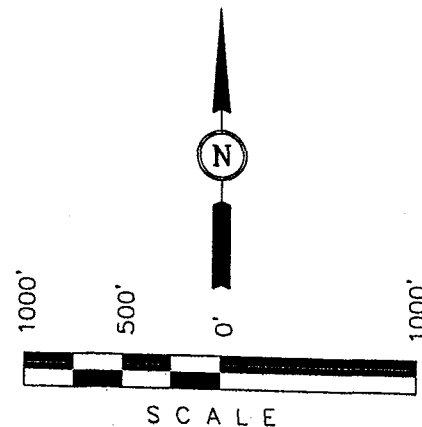
QUINEX ENERGY CORP.

Well location, J&J FEDERAL #2-29, located as shown in the SW 1/4 NE 1/4 of Section 29, T9S, R17E, S.L.B.&M. Duchesne County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE NORTHEAST CORNER OF SECTION 29, T9S, R17E, S.L.B.&M. TAKEN FROM THE MYTON SE QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5414 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
ROBERT L. KAY
STATE OF UTAH
REGISTRATION NO. 16199
EXPIRATION DATE 12-31-19

UNTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 12-19-03	DATE DRAWN: 12-24-03
PARTY J.F. A.F. C.G.		REFERENCES G.L.O. PLAT
WEATHER COLD		FILE QUINEX ENERGY CORP.

LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
(AUTONOMOUS NAD 83)

LATITUDE = 40°00'11.31" (40.003142)

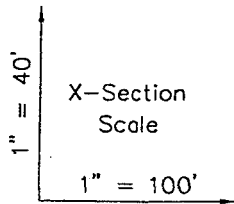
LONGITUDE = 110°01'35.95" (110.026653)

QUINEX ENERGY CORP.

TYPICAL CROSS SECTIONS FOR

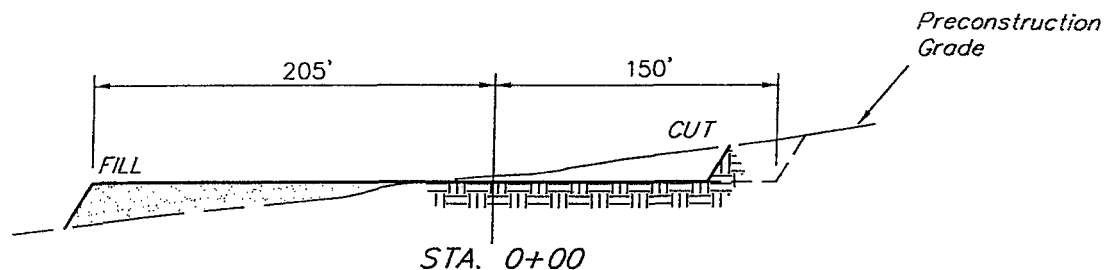
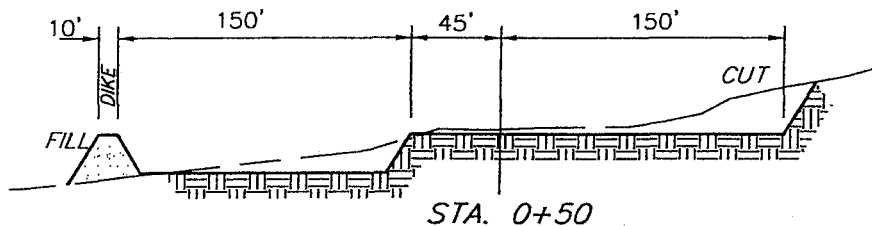
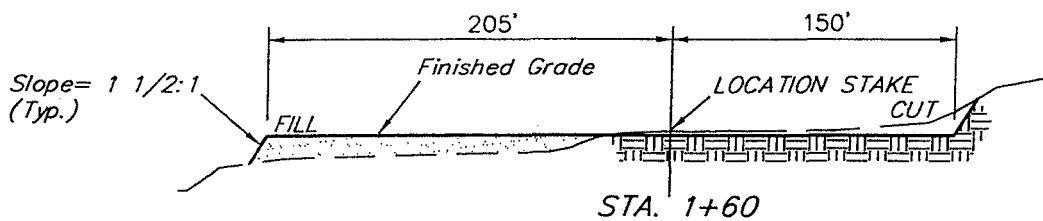
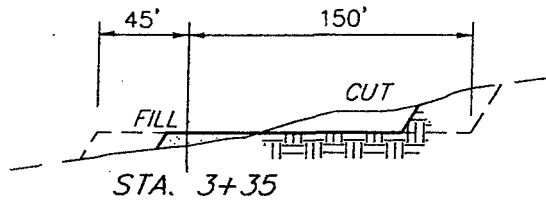
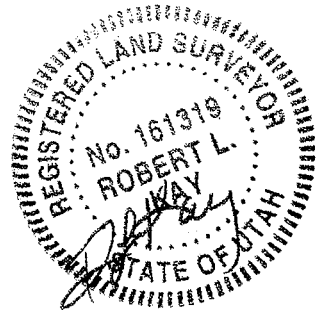
J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL

FIGURE #2



DATE: 12-29-03

Drawn By: C.G.



APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,710 Cu. Yds.

Remaining Location = 6,030 Cu. Yds.

TOTAL CUT = 7,740 CU.YDS.

FILL = 3,030 CU.YDS.

EXCESS MATERIAL AFTER
5% COMPACTION

= 4,550 Cu. Yds.

Topsoil & Pit Backfill
(1/2 Pit Vol.)

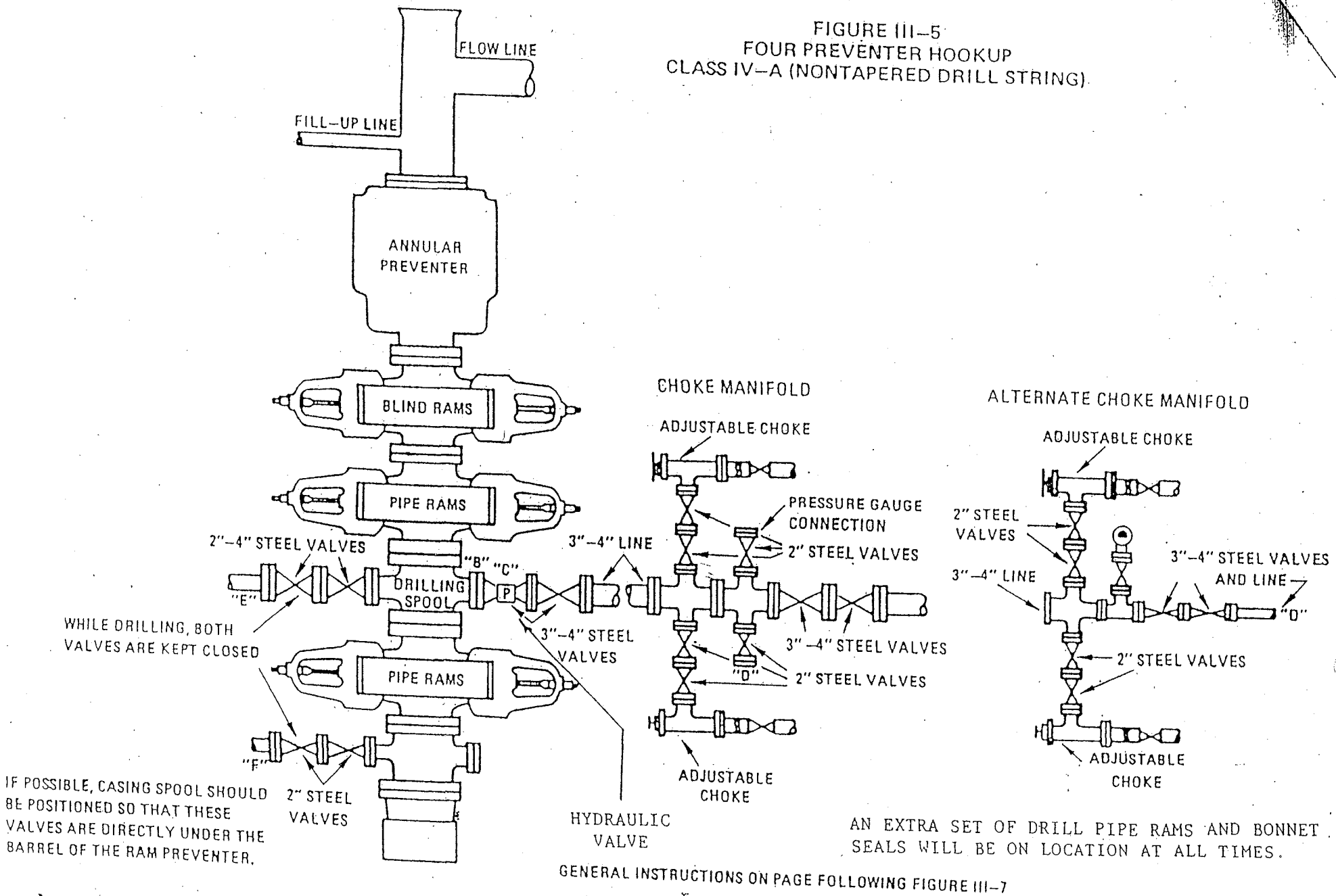
= 4,550 Cu. Yds.

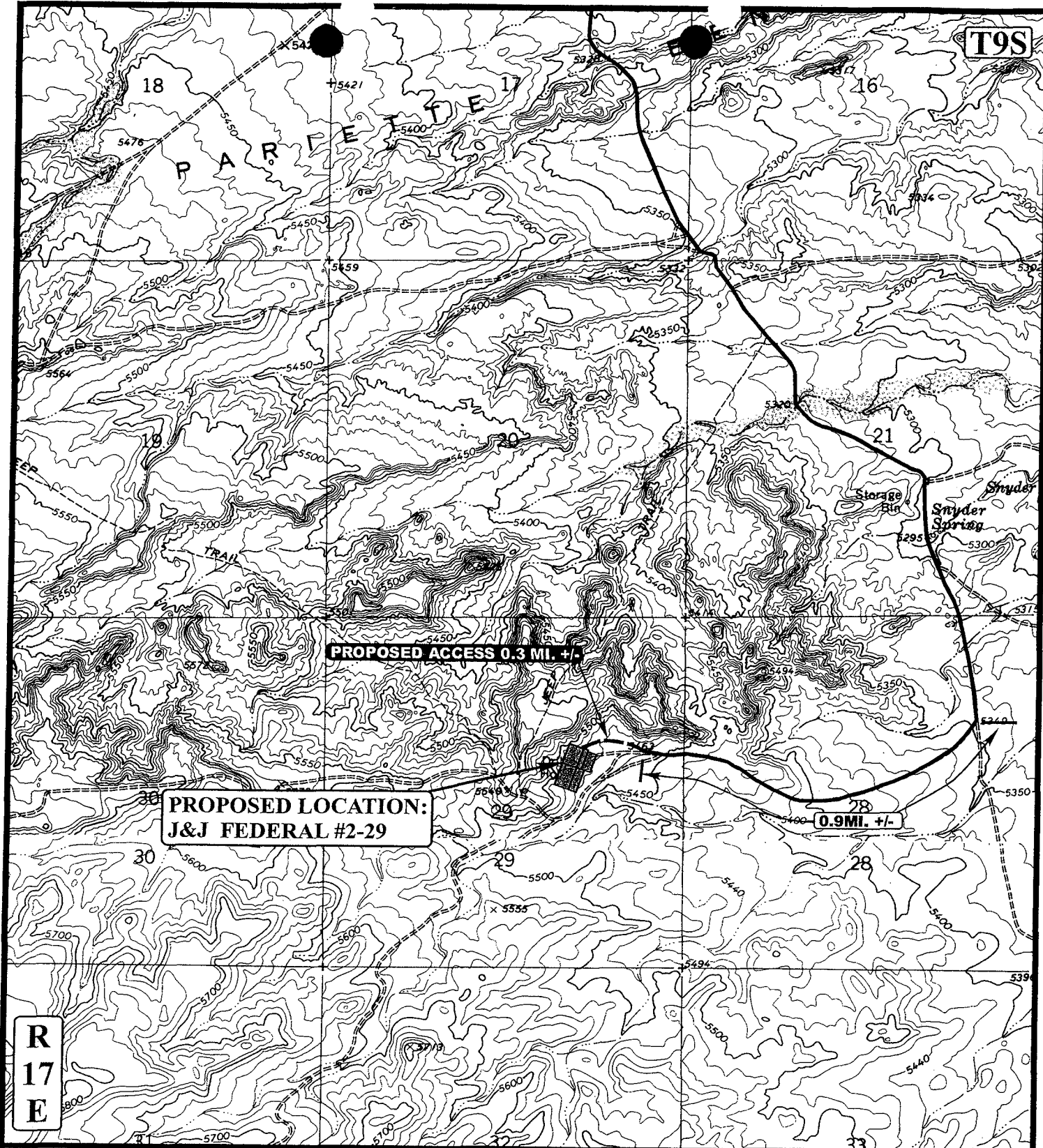
EXCESS UNBALANCE
(After Rehabilitation)

= 0 Cu. Yds.

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FIGURE III-5
FOUR PREVENTER HOOKUP
CLASS IV-A (NONTAPERED DRILL STRING)





LEGEND:

————— EXISTING ROAD
 - - - - - PROPOSED ACCESS ROAD

N



QUINEX ENERGY CORP.

J&J FEDERAL #2-29
 SECTION 29, T9S, R17E, S.L.B.&M.
 2209' FNL 1598' FEL



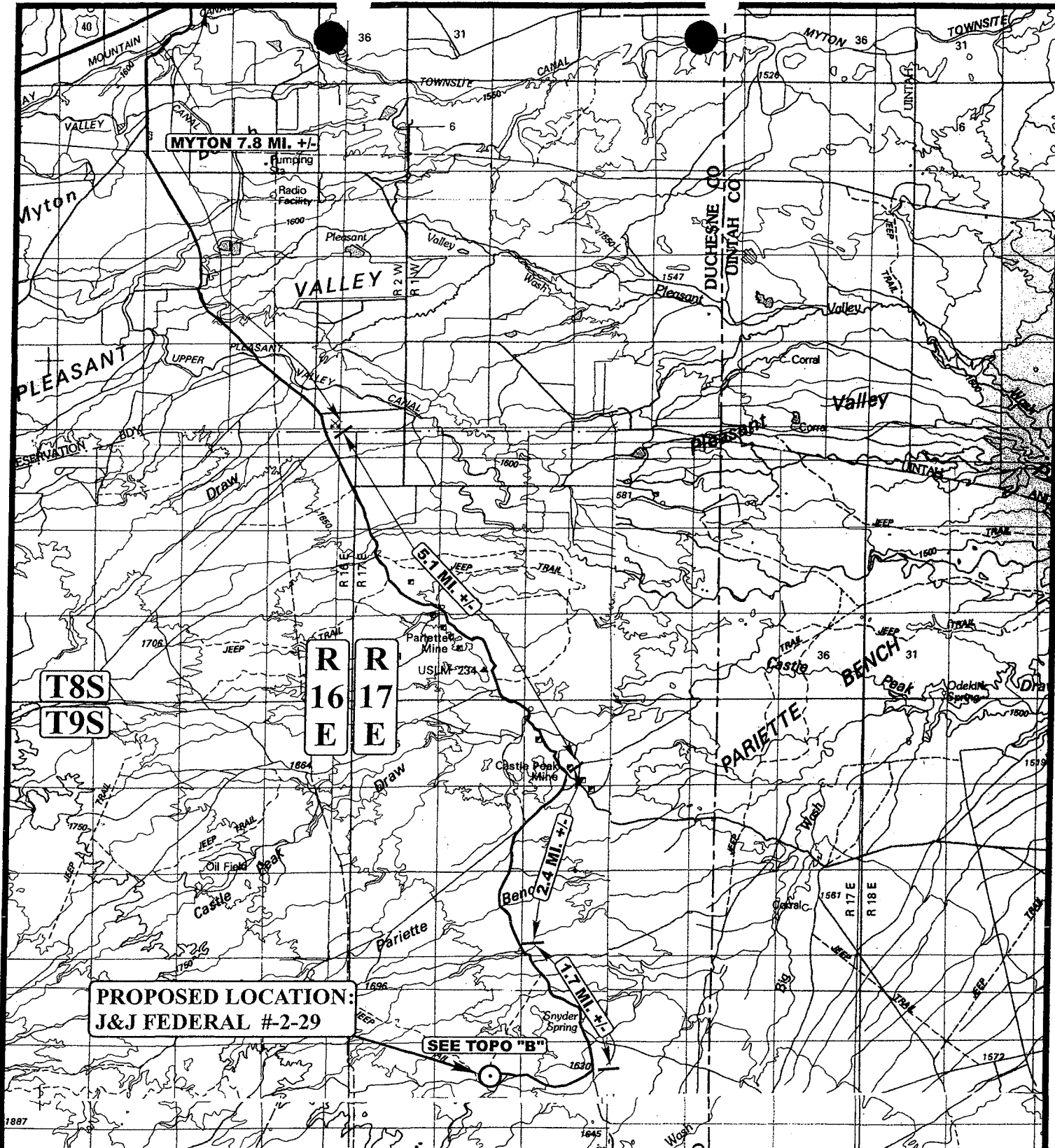
Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
 MAP

12 29 03
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: T.H. REVISED: 00-00-00





LEGEND:

⊙ PROPOSED LOCATION



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(435) 789-1017 * FAX (435) 789-1813



QUINEX ENERGY CORP.

J&J FEDERAL #2-29
SECTION 29, T9S, R17E, S.L.B.&M.
2209' FNL 1598' FEL

TOPOGRAPHIC
MAP

12	29	03
MONTH	DAY	YEAR

SCALE: 1:100,000	DRAWN BY: T.H.	REVISED: 00-00-00
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STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 80566
2. NAME OF OPERATOR: QUINEX ENERGY CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: FED
3. ADDRESS OF OPERATOR: 465 SOUTH 200 WEST BOUNTIFUL UT 84010		7. UNIT or CA AGREEMENT NAME: FED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2209' FNL, 1958' FEL, Section 29, T 9 S, R 17 E		8. WELL NAME and NUMBER: J & J FEDERAL 2-29
5. PHONE NUMBER: (801) 292-3800		9. API NUMBER: 013-32519
6. QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 29 9S 17 E		10. FIELD AND POOL, OR WILDCAT: WILDCAT
7. COUNTY: DUCHESNE		
8. STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Quinex Energy has changed the proposed Casing & Cement program for the J J Federal 2-29 to better complete the Mesa Verde well. A new APD with the changes is enclosed with a 8 point and 13 point plan. Archeology for the well is the same as the original application. The surface and road have not been disturbed for the well, both were used by Conoco when drilling their Kralovic # 1 in 1954. Our well is on the same loction as the Kralovic #1 which we will twin.

NAME (PLEASE PRINT) <u>DeForrest Smouse</u>	TITLE <u>President Quinex Energy</u>
SIGNATURE <u><i>De Forrest Smouse</i></u>	DATE <u>1/18/2007</u>

(This space for State use only)

APPLICATION FOR TEMPORARY CHANGE RECEIVED OF WATER

JUN 24 2005

WATER RIGHTS
VERNAL

STATE OF UTAH

Rec. by Bmw

Fee Paid \$ \$75.00 ok 4619

Receipt # 05-02835

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: ± 30370

(c3083BWHITE)

WATER RIGHT NUMBER: 43-1721

This Change Application proposes to change the PLACE OF USE and NATURE OF USE.

1. OWNERSHIP INFORMATION.

A. NAME: Kenneth V. & Barbara U. Richens
ADDRESS: Rt. 3 Box 3613
Myton UT 84052
REMARKS: tenants in common

INTEREST: 100%

B. PRIORITY OF CHANGE: June 24, 2005

FILING DATE: June 24, 2005

C. EVIDENCED BY:

43-1721(A10906)

*-----
* DESCRIPTION OF CURRENT WATER RIGHT:
*-----

2. SOURCE INFORMATION.

A. QUANTITY OF WATER: 1.12 cfs

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION.

POINT OF DIVERSION -- SURFACE:

(1) N 180 feet E 1.487 feet from W $\frac{1}{4}$ corner. Section 34. T 3S. R 2W, USBM
DIVERT WORKS: concrete diversion box

3. WATER USE INFORMATION.

The Water Right represented by this change application is SUPPLEMENTAL to other Water Rights.

Temporary Change

IRRIGATION: from Mar 1 to Nov 1.

IRRIGATING: 68.3000 acres.

STOCKWATERING: from Jan 1 to Dec 31.

EQUIVALENT LIVESTOCK UNITS: 42.

4. PLACE OF USE. (Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST 1/4 NW NE SW SE	NORTH-EAST 1/4 NW NE SW SE	SOUTH-WEST 1/4 NW NE SW SE	SOUTH-EAST 1/4 NW NE SW SE
US	3S	2W	34		*** X X	***	***

THE FOLLOWING CHANGES ARE PROPOSED:

5. SOURCE INFORMATION.

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Babcock Draw

COUNTY: Duchesne

C. POINT(S) OF DIVERSION. Same as HERETOFORE.

D. COMMON DESCRIPTION: 2 miles south of Myton

6. WATER USE INFORMATION. Changed as Follows:

OIL EXPLORATION from Jan 1 to Dec 31.

drilling and completion of oil/gas wells
in South Myton area.

7. PLACE OF USE. Changed as Follows:

(Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST 1/4 NW NE SW SE	NORTH-EAST 1/4 NW NE SW SE	SOUTH-WEST 1/4 NW NE SW SE	SOUTH-EAST 1/4 NW NE SW SE
US	1N	1E		Entire TOWNSHIP			
US	1N	1W		Entire TOWNSHIP			
US	1N	2W		Entire TOWNSHIP			
US	1N	3W		Entire TOWNSHIP			
US	1S	1E		Entire TOWNSHIP			
US	1S	1W		Entire TOWNSHIP			
US	1S	2W		Entire TOWNSHIP			
US	2S	1E		Entire TOWNSHIP			
US	2S	1W		Entire TOWNSHIP			
US	2S	2W		Entire TOWNSHIP			
US	2S	3W		Entire TOWNSHIP			
US	3S	1E		Entire TOWNSHIP			
US	3S	1W		Entire TOWNSHIP			
US	3S	2W		Entire TOWNSHIP			
US	3S	3W		Entire TOWNSHIP			
US	4S	1E		Entire TOWNSHIP			

US	4S	1W	Entire TOWNSHIP
US	4S	2W	Entire TOWNSHIP
US	4S	3W	Entire TOWNSHIP
US	4S	4W	Entire TOWNSHIP
US	4S	5W	Entire TOWNSHIP
US	4S	6W	Entire TOWNSHIP
US	5S	3W	Entire TOWNSHIP
US	5S	4W	Entire TOWNSHIP
US	5S	5W	Entire TOWNSHIP
US	6S	3W	Entire TOWNSHIP
US	6S	4W	Entire TOWNSHIP
US	7S	4W	Entire TOWNSHIP
US	7S	5W	Entire TOWNSHIP

8. EXPLANATORY.

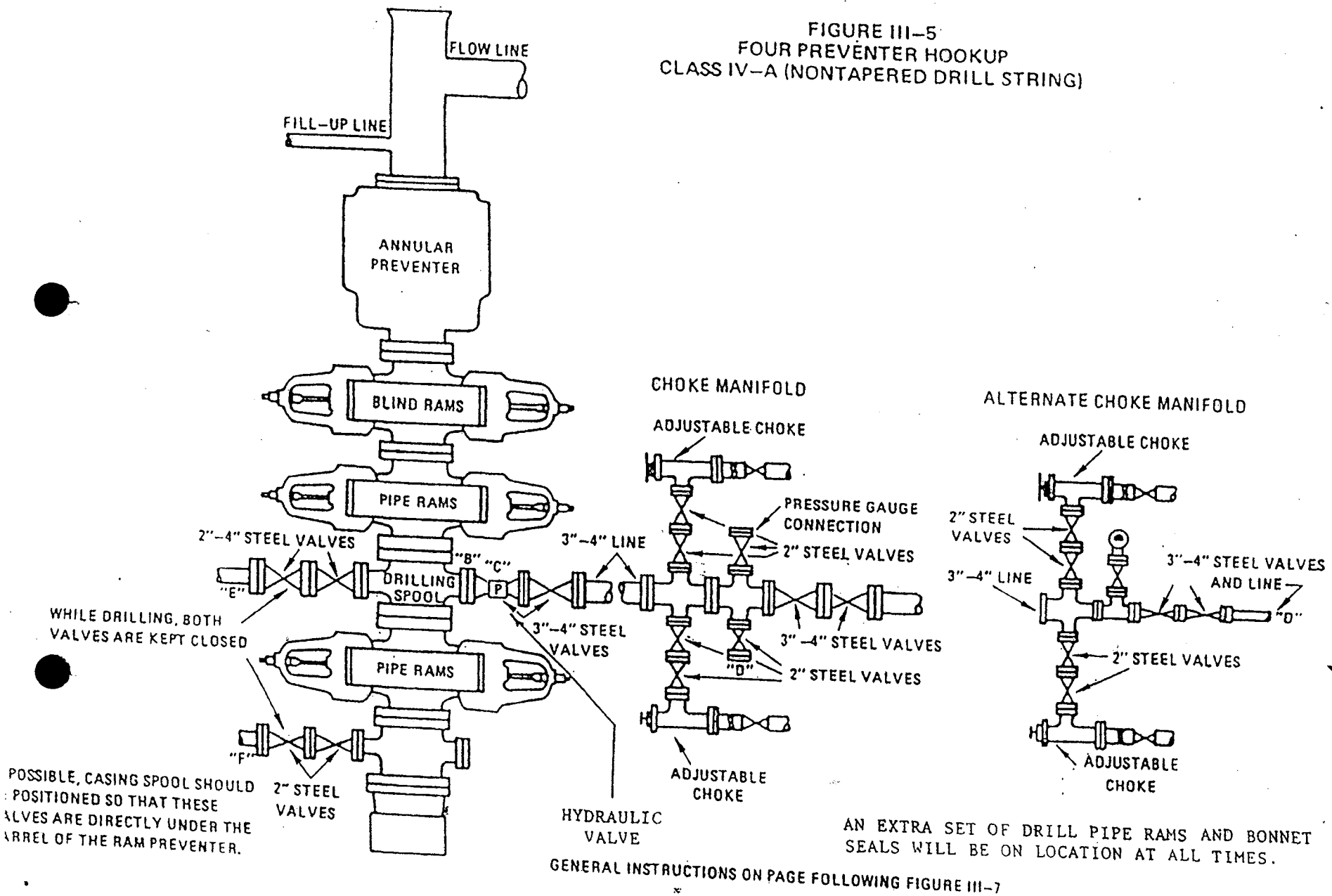
Applicant will retire 2.50 acres of irrigation to compensate for the 10.00 acre feet to be used for oil exploration.

9. SIGNATURE OF APPLICANT(S).

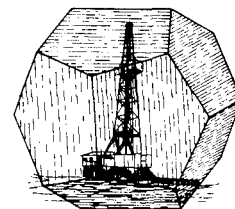
The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

Kenneth V. Richens Barbara U. Richens
Kenneth V. & Barbara U. Richens

FIGURE III-5
FOUR PREVENTER HOOKUP
CLASS IV-A (NONTAPERED DRILL STRING)



III-13



QUINEX ENERGY CORPORATION

465 South 200 West • Suite 300 • Bountiful, Utah 84010 • (801) 292-3800 • FAX (801) 295-5858

January 18, 2007

**Utah Division of Oil, Gas & Mining
1594 West North Temple
Salt Lake City, Utah 84114-5801**


Attn. Diana Mason

Dear Diana:

**I am submitting a Sundry Notice on the J & J Federal 2-29 revising
the Casing and Cementing program for this well. The original APD number
Was 43-013-32519. The original APD had expired.**

**A complete new casing and cement program for the well has been changed
as per the notice. I am also sending a Copy of the 8 Point Plan to replace the
APD previously submitted.**

Sincerely,


**DeForrest Smouse PhD
President Quinex Energy**

RECEIVED

JAN 26 2007

DIV. OF OIL, GAS & MINING

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/26/2007

API NO. ASSIGNED: 43-013-33527

WELL NAME: J & J FED 2-29

OPERATOR: QUINEX ENERGY CORP (N9995)

PHONE NUMBER: 801-292-3088

CONTACT: DEFORREST SMOUSE

PROPOSED LOCATION:

SWNE 29 090S 170E

SURFACE: 2209 FNL 1598 FEL

BOTTOM: 2209 FNL 1598 FEL

COUNTY: DUCHESNE

LATITUDE: 40.00317 LONGITUDE: -110.0260

UTM SURF EASTINGS: 583141 NORTHINGS: 4428353

FIELD NAME: UNDESIGNATED (2)

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU 80566

PROPOSED FORMATION: BLKHK

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. MTB000107)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. 43-1721)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

____ R649-2-3.
Unit: _____
____ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
____ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
____ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1. Seismic Approval
2. Spacing Strip



OPERATOR: QUINEX ENERGY CORP (N9995)

SEC: 29 T.9S R. 17E

FIELD: UNDESIGNATED (002)

COUNTY: DUCHESNE

SPACING: R649-3-3 / EXCEPTION LOCATION

Field Status

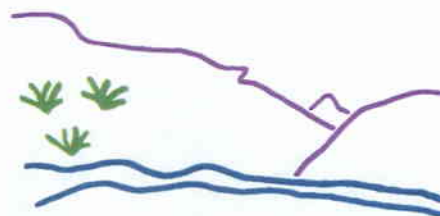
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA MASON
DATE: 30-JANUARY-2007



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 31, 2007

Quinex Energy Corporation
465 South 200 West
Bountiful, UT 84010

Re: J & J Federal 2-29 Well, 2209' FNL, 1598' FEL, SW NE, Sec. 29, T. 9 South,
R. 17 East, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-33527.

Sincerely,

A handwritten signature in black ink, appearing to read "Gil Hunt".

Gil Hunt
Associate Director

pab
Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

Operator: Quinex Energy Corporation
Well Name & Number J & J Federal 2-29
API Number: 43-013-33527
Lease: UTU 80566

Location: SW NE Sec. 29 T. 9 South R. 17 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following action during drilling of this well:

- 24 hours prior to cementing or testing casing – contact Dan Jarvis
- 24 hours prior to testing blowout prevention equipment – contact Dan Jarvis
- 24 hours prior to spudding the well – contact Carol Daniels
- Within 24 hours of any emergency changes made to the approved drilling program – contact Dustin Doucet
- Prior to commencing operations to plug and abandon the well – contact Dan Jarvis

The operator is required to get approval from the Division of Oil, Gas and Mining before performing any of the following actions during the drilling of this well:

- Plugging and abandonment or significant plug back of this well – contact Dustin Doucet
- Any changes to the approved drilling plan – contact Dustin Doucet

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at: (801) 538-5338 office
(801) 733-0983 home
- Carol Daniels at: (801) 538-5284 office
- Dustin Doucet at: (801) 538-5281 office
(801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.



JON M. HUNTSMAN, JR.

Governor

GARY R. HERBERT

Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

April 16, 2008

Quinex Energy
465 South 200 West
Bountiful, UT 84010

Re: APD Rescinded – J&J Federal 2-29, Sec. 29, T. 9S, R. 17E
Duchesne County, Utah API No. 43-013-33527

Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (the Division) on January 31, 2007. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective April 16, 2008.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject locations.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



March 14, 2013

IN REPLY REFER TO:
3160 (UTG011)

43 013 38527

John Wells
Quinex Energy Corporation
465 South 200 West, Suite 300
Bountiful, UT 84010

Re: Request to Return APD
Well No. J & J Federal 2-29
SWNE, Sec. 29, T9S, R17E
Duchesne County, Utah
Lease No. UTU-80566

Dear John:

The Application for Permit to Drill (APD) for the above referenced well received in this office on June 6, 2007, is being returned unapproved per your request to this office in telephone conversation with Land Law Examiner Robin R. Hansen received on February 13, 2013. If you intend to drill at this location at a future date, a new APD must be submitted.

If you have any questions regarding APD processing, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Resource Minerals

Enclosures

cc: UDOGM

bcc: Well File

RECEIVED
MAR 26 2013
DIV. OF OIL, GAS & MINING